Gaming

ACCOUNTABILITY STATEMENT

The Business Plan for the three years commencing April 1, 2002 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of February 26, 2002 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

[original signed]

Ron Stevens, QC, *Minister of Gaming*
February 27, 2002

102-05729/

INTRODUCTION

The Ministry of Gaming includes the Department of Gaming, the Alberta Gaming and Liquor Commission, the Alberta Gaming Research Council and responsibility for the *Racing Corporation Act.*

DEPARTMENT OF GAMING

The Department's responsibilities include policy, business management, communications, and lottery funded programs, including the Community Facility Enhancement Program. The Department benefits from services provided by the Alberta Gaming and Liquor Commission in the areas of human resources and information technology and other administrative services provided through a shared services arrangement with Community Development.

ALBERTA GAMING AND LIQUOR COMMISSION

The Alberta Gaming and Liquor Commission (AGLC), an agent of the Government of Alberta, consists of a Board and a Corporation. The Corporation acts as the operational arm of the organization, while the Board is responsible for reflecting Government's direction through policy and regulatory matters. The Commission ensures that gaming and liquor activities in Alberta are conducted honestly, openly, and with the highest level of integrity. The Commission also endeavours to maximize the economic benefits of gaming and liquor activities in the province to the benefit of Albertans. The AGLC administers the Alberta Lottery Fund under the provisions of the *Gaming and Liquor Act.* The business plan for the AGLC begins on page 181.

ALBERTA GAMING RESEARCH COUNCIL

The Alberta Gaming Research Council is a broad-based advisory group to the Minister of Gaming. The Council is made up of representatives from the gaming industry, the Aboriginal community, youth, seniors, law enforcement, the Alberta Alcohol and Drug Abuse Commission (AADAC), Alberta Health and Wellness, and Alberta Gaming. The Council was established to help direct the research activities of the Alberta Gaming Research Institute. The Institute is an independent consortium of the Universities of Alberta, Calgary and Lethbridge that conducts research into the social and economic aspects of gaming, emerging gaming trends and problem gambling prevention and treatment.

RACING CORPORATION ACT

The Minister of Gaming is responsible for the *Racing Corporation Act.* The legislation places the responsibility for management and regulation of the horse racing industry in Alberta on a private, not-for-profit agency - the Alberta Racing Corporation.

KEY INITIATIVES

Alberta Gaming continues to identify and work on major initiatives related to gaming and liquor activities in the province. The outcome of these initiatives will have a significant impact on our business over the next three years. These initiatives include:

- implement the recommendations from the Gaming Licensing Policy Review to ensure that the appropriate policies and procedures are in place to deal effectively with Alberta's growing and maturing gaming industry;

- implement and manage the policy related to gaming facilities on First Nations land; and
- develop policies related to emerging gaming and liquor related issues.

MINISTRY'S VISION

A province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenues derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced service in its liquor and gaming industries.

MINISTRY'S MISSION

To ensure integrity and accountability in Alberta's gaming and liquor industries, and to achieve the maximum benefit for Albertans from gaming and liquor activities.

GUIDING PRINCIPLES

The Ministry has adopt the following guiding principles for gaming in Alberta:

1. The integrity of gaming will be ensured.
2. Gaming policies will reflect a commitment to social responsibility.
3. The financial return to eligible groups from charitable gaming is to be maximized for the benefit of charitable and religious groups, the programs or activities they deliver and the communities in which those programs are located.
4. Gaming policies will be supported by sound research and consultation with the public and stakeholders.
5. The collection and use of gaming revenue will be open and accountable.
6. Gaming activities will meet standards of quality to protect the integrity of gaming activities, provide gaming entertainment value to consumers and help to keep gaming dollars in Alberta.
7. The guiding principles for gaming will be subject to review, to ensure they reflect Albertans' wishes.

CORE BUSINESSES

The Ministry of Gaming has three core businesses.

1. Develop provincial gaming and liquor legislation and policy and regulate the gaming and liquor industries in accordance with legislation and policy;
2. Manage the Alberta Lottery Fund and administer designated lottery-funded programs to support Alberta communities; and
3. Support leading-edge research on gaming and liquor issues in Alberta.

CORE BUSINESS #1: DEVELOP PROVINCIAL GAMING AND LIQUOR LEGISLATION AND POLICY AND REGULATE THE GAMING AND LIQUOR INDUSTRIES IN ACCORDANCE WITH LEGISLATION AND POLICY.

The Ministry is committed to developing gaming and liquor legislation and policy that strike a balance between choice and responsibility in gaming and liquor activities in Alberta. The Ministry ensures the regulation of the gaming and liquor industries through the provisions of the *Gaming and Liquor Act* and Regulation.

GOAL	KEY STRATEGIES
1.1 Alberta gaming and liquor policy achieves a balance between social responsibility and economic benefit to Albertans.	• Monitor the gaming and liquor industries to identify emerging issues and trends, such as potential growth, and develop policies to address the social and economic implications of these issues. • Monitor gaming and liquor policies in other jurisdictions and establish benchmarks and best practices. • Ensure Albertans are aware of gaming and liquor policy and are consulted with respect to major policy initiatives. • Implement and manage First Nations gaming policies and ensure policies are consistent with the charitable gaming model and the government's Aboriginal Policy Framework.
1.2 The gaming and liquor industries are regulated in accordance with legislation and policy.	• License and regulate all liquor activities in the province. • License and regulate charitable gaming activities. • Conduct and manage provincial gaming activities in accordance with the *Criminal Code of Canada*, provincial legislation and policy. • Ensure the accountability of the Alberta Racing Corporation with respect to its delegated responsibilities. • Review the annual business plan for the Alberta Racing Corporation and monitor activities and achievement of results. • Ensure the activities of the independent Appeal Tribunal established under the *Racing Corporation Act* are carried out in accordance with legislation.

PERFORMANCE MEASURES

	2002-2003 Target	2003-2004 Target	2004-2005 Target
• Percentage of Albertans surveyed who are satisfied with the conduct of the liquor business in Alberta.	75%	80%	82%
• Percentage of Albertans surveyed who are satisfied with the conduct of legal gaming in Alberta.	70%	75%	77%

CORE BUSINESS #2: MANAGE THE ALBERTA LOTTERY FUND AND ADMINISTER DESIGNATED LOTTERY-FUNDED PROGRAMS TO SUPPORT ALBERTA COMMUNITIES.

All provincial government gaming revenue is directed to the Alberta Lottery Fund and identified for use in specific charitable, non-profit, public and community-based initiatives. The Department of Gaming coordinates development of the Lottery Fund budget and administers designated lottery-funded programs. The Alberta Gaming and Liquor Commission (AGLC) is responsible for administration of the Alberta Lottery Fund, including collection of revenues and disbursement of revenues according to an *Appropriation Act*. Alberta Lottery Fund expenditures support programs, projects and foundations administered by various ministries.

GOAL	KEY STRATEGIES
2.1 Lottery funds support charitable, non-profit, public and community-based initiatives.	• Review the disbursement of Alberta Lottery Fund proceeds to ensure all funds are being allocated and expended according to policy and intended use. • Provide Community Facility Enhancement Program (CFEP) matching grants to improve Alberta's public-use facilities. • Ensure accountability for revenues distributed to the horse racing industry, based on the terms of the Racing Industry Renewal Initiative. • Ensure Albertans are informed of the initiatives supported by the Alberta Lottery Fund. • Support capital infrastructure improvements of major exhibitions.

PERFORMANCE MEASURES

	2002-2003 Target	2003-2004 Target	2004-2005 Target
• Percentage of Alberta Lottery Fund disbursements committed to supporting charitable, non-profit, public and community-based initiatives.	100%	100%	100%
• Percentage of administration costs of lottery-funded programs administered by the Department of Gaming.	Less than 2% of program disbursements	Less than 2% of program disbursements	Less than 2% of program disbursements
• Percentage of Albertans who are aware that the Alberta Lottery Fund supports charitable, non-profit, public and community based initiatives.	Increase over 2001-2002 baseline	Increase over 2002-2003 target	Increase over 2003-2004 target
• Percentage of Albertans who are satisfied with how the Alberta Lottery Fund revenue is used.	Establish baseline	Increase over 2002-2003 baseline	Increase over 2003-04 target

CORE BUSINESS #3: SUPPORT LEADING-EDGE RESEARCH ON GAMING AND LIQUOR ISSUES IN ALBERTA.

Alberta is committed to being a key partner in supporting gaming and liquor related research. The Ministry established the Alberta Gaming Research Council to help direct the activities of the Alberta Gaming Research Institute - a consortium of the Universities of Alberta, Calgary and Lethbridge. The Institute is funded by the Alberta Lottery Fund to conduct research into the social and economic aspects of gaming, emerging gaming trends and problem gambling prevention and treatment.

Through legislation, policy and partnerships, the Ministry also supports the responsible use and enjoyment of alcohol and gaming entertainment.

GOAL	KEY STRATEGIES
3.1 The Ministry is a partner in leading-edge gaming and liquor research that supports policy development.	• Collaborate with the Alberta Gaming Research Institute to identify priority research needs. • Support research into, and inform Albertans of, the social and economic aspects of gaming. • In partnership with the Alberta Alcohol and Drug Abuse Commission and the gaming and liquor industries, ensure consumers of alcohol and gaming products are aware of prevention and treatment programs for problem gambling and alcohol abuse.

PERFORMANCE MEASURES

	2002-2003 Target	2003-2004 Target	2004-2005 Target
• Percentage of partners who are satisfied with level of support and cooperation for research, prevention and treatment programs.	Increase over 2001-2002 baseline	Increase over 2002-2003 target	Increase over 2003-2004 target
• Percentage of Albertans surveyed who are aware of prevention and treatment programs for problem gambling and alcohol abuse.	Increase over 2001-2002 baseline	Increase over 2002-2003 target	Increase over 2003-2004 target

Expense by Core Business

(thousands of dollars)

	Comparable 2000-01 Actual	Comparable 2001-02 Budget	Comparable 2001-02 Forecast	2002-03 Estimates	2003-04 Target	2004-05 Target
EXPENSE						
Core Business						
Develop Legislation, Regulations and Policy for the Gaming and Liquor Industries	71,008	89,794	87,797	118,863	166,784	190,494
Manage the Alberta Lottery Fund and administer Designated Lottery Programs	945,623	945,318	1,065,338	1,113,293	1,242,627	1,296,787
Support Gaming and Liquor Research	1,630	1,749	1,747	1,741	1,745	1,745
MINISTRY EXPENSE	1,018,261	1,036,861	1,154,882	1,233,897	1,411,156	1,489,026

Ministry Statement of Operations

(thousands of dollars)

	Comparable 2000-01 Actual	Comparable 2001-02 Budget	Comparable 2001-02 Forecast	2002-03 Estimates	2003-04 Target	2004-05 Target
REVENUE						
Net Income from Commercial Operations						
Video Lottery Terminal Revenue	575,131	547,000	630,000	624,000	628,600	631,000
Casino Gaming Terminal Revenue	251,667	308,949	330,000	411,398	581,421	656,891
Ticket Lottery Revenue	160,749	154,000	168,000	169,700	171,700	171,700
Liquor and Related Revenue	481,269	478,000	495,000	558,000	563,000	563,000
Investment Income						
Lottery Fund Interest Revenue	13,891	6,000	6,000	6,000	6,000	6,000
Other Revenue						
Various	74	-	-	-	-	-
MINISTRY REVENUE	1,482,781	1,493,949	1,629,000	1,769,098	1,950,721	2,028,591
EXPENSE						
Program						
Ministry Support Services	1,449	1,504	1,489	1,478	1,532	1,532
Gaming Research	1,500	1,600	1,600	1,600	1,600	1,600
Lottery Funded Programs	108,004	125,631	114,196	95,068	116,362	116,362
Financial Assistance to Alberta Gaming and Liquor Commission	69,878	88,628	86,642	117,714	165,593	189,303
Lottery Fund Payments to Other Ministries	837,430	819,498	950,955	1,018,037	1,126,069	1,180,229
MINISTRY EXPENSE	1,018,261	1,036,861	1,154,882	1,233,897	1,411,156	1,489,026
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
NET OPERATING RESULT	464,520	457,088	474,118	535,201	539,565	539,565

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 2000-01 Actual	Comparable 2001-02 Budget	Comparable 2001-02 Forecast	2002-03 Estimates	2003-04 Target	2004-05 Target
Ministry Revenue	1,482,781	1,493,949	1,629,000	1,769,098	1,950,721	2,028,591
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Revenue	1,482,781	1,493,949	1,629,000	1,769,098	1,950,721	2,028,591
Ministry Program Expense	1,018,261	1,036,861	1,154,882	1,233,897	1,411,156	1,489,026
Inter-ministry consolidation adjustments	(837,430)	(819,498)	(950,955)	(1,018,037)	(1,126,069)	(1,180,229)
Consolidated Program Expense	**180,831**	**217,363**	**203,927**	**215,860**	**285,087**	**308,797**
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	1,301,950	1,276,586	1,425,073	1,553,238	1,665,634	1,719,794

ALBERTA GAMING AND LIQUOR COMMISSION BUSINESS PLAN 2002-2005

The Alberta Gaming and Liquor Commission (AGLC) is an agent of the Government of Alberta and consists of a Board and a Corporation. The Corporation acts as the operational arm of the organization while the Board is responsible for policy and regulatory matters. The Board consists of a Chairman, Deputy Chairman and three public members. The responsibilities of the Board of the Alberta Gaming and Liquor Commission are defined in the *Gaming and Liquor Act.* These responsibilities are:

1. Ensuring that the operations of the Commission are carried out in accordance with the legislation and Board direction.
2. Establishing policies for the operations of the Commission. The Board also takes policy direction from the Minister and develops strategies and plans for that policy direction to be effectively implemented.
3. Reviewing and approving liquor and gaming licences and registrations.
4. Conducting hearings into matters involving licences and registrations and breaches of legislation.

The Corporation consists of administrative and operational units responsible for the day-to-day functioning of the Commission.

AGLC VISION

The AGLC, as an agent of the Government of Alberta, works to achieve the vision of the Ministry of Gaming, namely:

> *A province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenues derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced service in its liquor and gaming industries.*

AGLC MISSION

To ensure that gaming and liquor activities in Alberta are conducted with integrity and social responsibility and to maximize long term economic benefits for Albertans.

AGLC VALUES

The AGLC is committed to operating according to the following values. We will:

1. act with integrity and in a fair and impartial manner;
2. strive to balance social and economic responsibilities to the people of Alberta;
3. foster clear, open and courteous communications and consult with stakeholders;
4. achieve excellence in customer service;
5. nurture a working environment that is characterized by teamwork, collaboration, and open communication;
6. be an innovative and adaptable organization that focuses on continuous improvement in the quality, effectiveness, and efficiency of our products, services and business processes; and
7. be responsible stewards of assets entrusted to us, maintaining our accountability to the Province of Alberta.

AGLC CORE BUSINESSES

The AGLC has three core businesses:

1. License and regulate liquor activities.
2. License and regulate charitable gaming activities.
3. Conduct and manage provincial gaming activities.

CORE BUSINESSES, GOALS, AND KEY STRATEGIES OF THE AGLC

Core Business #1: License and regulate liquor activities.

The AGLC licenses, registers, regulates and monitors all liquor activities in the province according to the *Gaming and Liquor Act* and Regulation, other provincial and federal legislation, and AGLC policies.

GOAL	KEY STRATEGIES
1.1 Develop liquor policy and conduct licensing activities in accordance with the *Gaming and Liquor Act* and Regulation.	• Ensure integrity of liquor activities through regular reviews of policy, Terms and Conditions and Operating Guidelines. • Assess applications in accordance with legislation, policies and procedures. • Educate licensees and registrants about the legislation, operating guidelines and policies related to licences and registrations. • Work in collaboration with the liquor industry to develop an effective campaign that encourages responsible liquor consumption.
1.2 Ensure the manufacture, importation, distribution, sale and consumption of liquor products are conducted according to legislation and policy.	• Work with federal customs offices in Alberta to streamline the customs clearance process. • Ensure the collection and distribution of all liquor revenues is conducted according to legislation and policy. • Conduct inspections of licensed premises and investigate all complaints concerning licensed liquor activities. • Investigate alleged violations of the *Gaming and Liquor Act* and Regulation. • Ensure beverage container management is conducted according to the Beverage Container Recycling Regulation.

PERFORMANCE MEASURES

	2002-2003 Target	2003-2004 Target	2004-2005 Target
• Licensees comply with legislation, regulation and policy.	87%	90%	90%
• Percentage of licenses and registrations approved within established timeframes.	97%	98%	98%
• Percentage of liquor industry clients who are satisfied with level of service provided by AGLC.	Increase over 2001-2002 baseline	90%	90%

Core Business #2: License and regulate charitable gaming activities.

Alberta is a leader with its charitable gaming model for casino, pull ticket, raffle and bingo events. These gaming activities only occur when eligible non-profit and charitable organizations apply for and receive licences to conduct gaming activities. Alberta's charitable gaming model ensures proceeds from gaming activities provide a benefit to the community.

GOAL	KEY STRATEGIES
2.1 Develop gaming policy and conduct licensing activities under the authority of the *Criminal Code of Canada* and in accordance with the *Gaming and Liquor Act* and Regulation.	• Ensure policy, Terms and Conditions and Operating Guidelines are designed to protect the integrity of gaming activities through the regular review of policies. • Implement the policy direction arising from the Gaming Licensing Policy review. • Implement new policy on eligibility criteria and use of proceeds by charitable organizations. • Ensure due diligence in the licensing process related to eligibility and use of proceeds by charitable organizations. • Ensure due diligence in the licensing process including complete criminal and financial background reviews for Licensed Facility Operators and Gaming Suppliers. • Educate licensees and registrants on gaming legislation, policy, Terms and Conditions and Operating Guidelines.
2.2 Ensure all gaming activities are conducted in accordance with legislation and policy.	• Maintain the charitable gaming model and ensure compliance with respect to casino, bingo, raffle, and pull ticket events. • Ensure charities receive all funds to which they are entitled and that proceeds received from licensed gaming activities are used for purposes consistent with the requirements of the Criminal Code. • Conduct inspections and audits of gaming licensees and activities. • Investigate all complaints and alleged violations concerning licensed gaming activities. • Increase sharing of information among enforcement agencies and stakeholders. • Ensure implementation of and compliance with the First Nations gaming policy.

PERFORMANCE MEASURES

	2002-2003 Target	2003-2004 Target	2004-2005 Target
• Charitable gaming activities are conducted in accordance with legislation, regulations and policy.	92%	95%	95%
• Percentage of licenses and registrations completed within established timeframes.	97%	98%	98%
• Percentage of gaming industry clients who are satisfied with level of service provided by AGLC.	Increase over 2001-2002 baseline	90%	90%

Core Business #3: Conduct and manage provincial gaming activities.

The AGLC is responsible for the conduct and management of electronic gaming in Alberta under the authority of the *Criminal Code (Canada)*, provincial legislation and policy. The AGLC owns and operates two primary electronic gaming networks in Alberta - video lottery terminals in licensed premises and slot machines in casino facilities and racing entertainment centres. The AGLC, in partnership with the Western Canada Lottery Corporation (WCLC), also conducts and manages ticket lotteries in the province.

GOAL	KEY STRATEGIES
3.1 Ensure all provincial gaming activities are conducted in accordance with legislation and policy.	• Implement the policy direction arising from the Gaming Licensing Policy Review. • Ensure the allocation of slot machines, video lottery terminals and ticket lottery terminals at retailer locations is consistent with consumer demand. • Develop and implement responsible gaming programs for all gaming activities in partnership with AADAC and gaming industry stakeholders. • Research and monitor Internet gaming and develop a longer-term strategy regarding the use of the Internet to facilitate gaming activities. • Implement the recommendations from the security review to ensure the integrity of gaming operations. • Introduce security tracking modules on all slot machines. • Implement electronic gaming in First Nation casinos in accordance with First Nations Gaming policy.
3.2 Ensure the efficiency and effectiveness of gaming operations.	• Upgrade the video lottery network by replacing terminals and central monitoring system. • Develop an asset management strategy for the ticket lottery terminals. • Continue to review alternative service delivery mechanisms for equipment maintenance. • Ensure slot machine and video lottery terminal integrity through tracking key performance indicators and responding to anomalies. • Update and formalize the roles and responsibilities of the AGLC and the WCLC to ensure efficiencies.
3.3 Enhance the return to charitable gaming through the introduction of provincial lotteries.	• Provide electronic bingo and electronic Keno within the charitable gaming model.

PERFORMANCE MEASURES

	2002-2003 Target	2003-2004 Target	2004-2005 Target
• Retailer satisfaction with ALGC services related to VLTs, slot machines and ticket lotteries.	90%	92%	95%
• On-line availability of central operating system for VLTs and slot machines.	99.2%	99.5%	99.5%
• Percentage of gaming integrity issues resolved within established timeframes.	85%	90%	95%

SUPPORTING CORE BUSINESSES AND CORPORATE OBJECTIVES

The AGLC's mandate includes responsibility for the three distinct but complementary core businesses outlined above. Strategies and actions are undertaken to carry out these businesses and are supported by services in human resources, information systems and finance and administration. The AGLC is reviewing opportunities to use the Alberta Corporate Service Centre where a business case supports this action.

HUMAN RESOURCE DEVELOPMENT STRATEGIES

The AGLC cares about its employees' health, their professional and personal development and the contribution they make to the community. The AGLC's human resource strategy includes ensuring that the knowledge, skills and abilities are in place to meet current business objectives and new challenges facing the AGLC.

The AGLC is committed to aligning its human resource strategies with those of the government's Corporate Human Resource Development Strategy to address issues such as the overall aging of the public service, stiff competition for scarce resources and rapidly changing skill needs. We will continue to undertake initiatives in the areas of recruitment, learning and leadership development to meet the requirements of the organization.

We are committed to ensuring that employees are able to develop a healthy balance between their professional commitments and their personal lives and will continue to examine workload issues to assist in achieving this balance.

INFORMATION SYSTEMS STRATEGIES

The AGLC is committed to being an innovative user of current technology. Our goal is to ensure that our systems, technology infrastructure and telecommunications support the business requirements with the highest levels of availability, security and integrity. We will continue to investigate emerging technologies to ensure that our systems meet the growing and changing business requirements of the organization.

Where appropriate, the AGLC will align its information systems strategies with those articulated in the Corporate Information Management/Information Technology Strategic Plan - especially in the areas of electronic delivery of services and supporting skills development among staff. The AGLC will continue to review alternative service delivery mechanisms for various functions such as equipment maintenance and data processing.

FINANCE AND ADMINISTRATION

The AGLC is committed to efficient management of resources entrusted to it. The finance and administration functions support efficient property management, purchasing, financial reporting, and general administrative functions. Through timely reporting and effective controls, these support areas assist other units in achieving the overall goal of meeting operating expense budgets and revenue projections.